



February 22, 2002

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## ENGROSSED SENATE BILL No. 79

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DIGEST OF SB 79 (Updated February 20, 2002 2:02 PM - DI 69)

**Citations Affected:** IC 24-4.6.

**Synopsis:** Septic system disclosure in residential sale. Requires the Indiana real estate commission to include on its sales disclosure form a provision concerning disclosure by an owner of residential real estate of the known condition of additions that may require improvements to the sewage disposal system.

**Effective:** July 1, 2002.

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### Simpson, Gard

(HOUSE SPONSORS — WEINZAPFEL, WOLKINS)

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January 7, 2002, read first time and referred to Committee on Environmental Affairs.  
January 15, 2002, amended, reported favorably — Do Pass.  
January 22, 2002, read second time, ordered engrossed.  
January 23, 2002, engrossed.  
January 24, 2002, read third time, passed. Yeas 48, nays 1.

#### HOUSE ACTION

February 5, 2002, read first time and referred to Committee on Environmental Affairs.  
February 21, 2002, amended, reported — Do Pass.

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ES 79—LS 6174/DI 52+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## ENGROSSED SENATE BILL No. 79

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A BILL FOR AN ACT to amend the Indiana Code concerning trade regulations; consumer sales and credit.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 24-4.6-2-7 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. The Indiana real  
3       estate commission established by IC 25-34.1-2-1 shall adopt a specific  
4       disclosure form that contains the following:

5       (1) Disclosure by the owner of the known condition of the  
6       following areas:

7       (A) The foundation.

8       (B) The mechanical systems.

9       (C) The roof.

10       (D) The structure.

11       (E) The water and sewer systems.

12       (F) **Additions that may require improvements to the**  
13       **sewage disposal system.**

14       (G) Other areas that the Indiana real estate commission  
15       determines are appropriate.

16       (2) A notice to the prospective buyer that contains substantially  
17       the following language:

ES 79—LS 6174/DI 52+



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1 "The prospective buyer and the owner may wish to obtain  
2 professional advice or inspections of the property and provide for  
3 appropriate provisions in a contract between them concerning any  
4 advice, inspections, defects, or warranties obtained on the  
5 property."

6 (3) A notice to the prospective buyer that contains substantially  
7 the following language:

8 "The representations in this form are the representations of the  
9 owner and are not the representations of the agent, if any. This  
10 information is for disclosure only and is not intended to be a part  
11 of any contract between the buyer and owner."

12 (4) A disclosure by the owner that an airport is located within a  
13 geographical distance from the property as determined by the  
14 Indiana real estate commission. The commission may consider the  
15 differences between an airport serving commercial airlines and an  
16 airport that does not serve commercial airlines in determining the  
17 distance to be disclosed.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 79, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 16 through 28, begin a new line block indented and insert:

**"(5) A disclosure by the owner, based on the owner's current actual knowledge, that:**

**(A) substantial alterations or additions have been made to the residence for which the state department of health would have required an expansion of the residential sewage disposal system; and**

**(B) the expansion described in clause (A) has not been completed."**

and when so amended that said bill do pass.

(Reference is to SB 79 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 9, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred Senate Bill 79, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 12, after "(F)" insert "**Additions that may require improvements to the sewage disposal system.**

**(G)**".

Page 2, delete lines 16 through 23.

and when so amended that said bill do pass.

(Reference is to SB 79 as printed January 16, 2002.)

WEINZAPFEL, Chair

Committee Vote: yeas 11, nays 0.

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